

ORDER NO. 3677

UNITED STATES OF AMERICA
POSTAL REGULATORY COMMISSION
WASHINGTON, DC 20268-0001

Before Commissioners:

Robert G. Taub, Chairman;
Nanci E. Langley, Vice Chairman;
Mark Acton; and
Tony Hammond

Competitive Product Prices
Inbound Parcel Post (at UPU Rates)

Docket No. MC2017-58

Competitive Product Prices
Inbound Parcel Post (at UPU Rates)

Docket No. CP2017-86

NOTICE AND ORDER CONCERNING CHANGES IN PRICES
FOR INBOUND PARCEL POST (AT UPU RATES) AND RELATED
CLASSIFICATION CHANGES

(Issued December 20, 2016)

I. INTRODUCTION

On December 19, 2016, the Postal Service filed notice announcing its intention to change rates not of general applicability for Inbound Parcel Post (at Universal Postal Union (UPU) Rates) effective January 1, 2017.¹ The Postal Service also filed proposed changes to the Mail Classification Schedule (MCS). Notice at 1-2.

¹ Notice of the United States Postal Service of Filing Changes in Rates Not of General Applicability for Inbound Parcel Post (at UPU Rates), Change in Mail Classification Schedule, and Application for Non-Public Treatment, December 19, 2016, at 1-2 (Notice).

II. CONTENTS OF FILING

To accompany its Notice, the Postal Service filed the following materials:

- Attachment 1 – an application for non-public treatment of materials filed under seal;
- Attachment 2 – a redacted copy of UPU International Bureau (IB) Circular 169, which contains the new rates;
- Attachment 3 – a redacted copy of UPU IB Circular 168, which contains the new rates;
- Attachment 4 – a copy of the certification required under 39 CFR 3015.5(c)(2);
- Attachment 5 – redacted documentation sent by the Postal Service to the UPU to justify its bonus payments;
- Attachment 6 – documentation in support of inflation-linked adjustment for inward land rates;
- Attachment 7 – a redacted copy of Governors' Decision No. 14-04;
- Attachment 8 – a redacted copy of Governors' Decision No. 11-6; and
- Attachment 9 – proposed changes to the text of the MCS

Notice, Attachments 1-9.

The Postal Service also filed supporting financial workpapers, unredacted copies of Governors' Decision No. 14-04 and Governors' Decision No. 11-6, an unredacted copy of the new rates, and related financial information under seal.

In accordance with Order Nos. 2102² and 2310,³ the Postal Service has: (1) provided documentation supporting the inflation-linked adjustment as Attachment 6; (2) updated its advisory delivery information in a timely manner in the UPU's online compendium to justify bonus payments; (3) provided the date that the UPU advised the United States of the Inward Land Rate, and provided the calculation of the rate for the

² Docket No. CP2014-52, Order Accepting Price Changes for Inbound Air Parcel Post (at UPU Rates), June 26, 2014, at 6 (Order No. 2102).

³ Docket No. CP2015-24, Order Accepting Changes in Rates for Inbound Parcel Post (at UPU Rates), December 29, 2014, at 4 (Order No. 2310).

pertinent year, in UPU IB Circulars 169 and 168 as Attachments 2 and 3, respectively; (4) provided the special drawing rights (SDR) conversion rate of 1 SDR to \$1.35 U.S. dollars used for the cost coverage analysis; and (5) provided the estimated cost coverage for Inbound Parcel Post (at UPU rates) for the pertinent year. Notice at 8-9.

III. PROPOSED CLASSIFICATION CHANGE

The Postal Service proposed a classification change in its Notice and attached proposed revisions to the MCS. *Id.* at 3-6, *see id.* Attachment 9. The Postal Service stated that it will begin accepting Inbound Parcel Post mailpieces under the UPU's e-commerce parcel delivery option, known as ECOMPRO, on or after January 22, 2017. Notice at 4. The Postal Service proposed MCS revisions to clarify that the ECOMPRO rates are "fixed by the UPU after notification by the Postal Service." *Id.* at 6. In addition, the Postal Service proposed that any future bilateral agreements that offer discounted rates for ECOMPRO Inbound Parcel Post mailpieces be filed in this docket rather than separate dockets. *Id.* at 6-7.

IV. COMMISSION ACTION

The Commission establishes Docket Nos. MC2017-58 and CP2017-86 for consideration of matters raised by the Notice.

The Commission invites comments on whether the Postal Service's filing is consistent with 39 U.S.C. 3632, 3633, and 39 CFR part 3015. Comments are due no later than December 28, 2016. The public portions of the filing can be accessed via the Commission's website (<http://www.prc.gov>).

The Commission appoints Katalin K. Clendenin to serve as Public Representative in these dockets.

V. ORDERING PARAGRAPHS

It is ordered:

1. The Commission establishes Docket Nos. MC2017-58 and CP2017-86 for consideration of the matters raised by the Postal Service's Notice.
2. Pursuant to 39 U.S.C. 505, Katalin K. Clendenin is appointed to serve as an officer of the Commission to represent the interests of the general public in this proceeding (Public Representative).
3. Comments are due no later than December 28, 2016.
4. The Secretary shall arrange for publication of this Order in the *Federal Register*.

By the Commission.

Stacy L. Ruble
Secretary